

**Opening Statement
Chairman Tom Davis
Committee on Government Reform
Holocaust Era Insurance Restitution
After *AIA v. Garamendi*: Where Do We Go From Here
September 16, 2003**

I would like to welcome everyone to today's hearing on the status of Holocaust-era insurance restitution.

During the Holocaust, the lives of six million Jewish people were systematically extinguished. Countless families lost all of their property and belongings. Assets were confiscated and personal and business documents including bank records, insurance policies, and investment information were destroyed.

Following the Holocaust, survivors and their families attempted to pick up the pieces of their shattered lives. When victims and their heirs attempted to collect on insurance policies, European insurance companies frequently denied their claims because records were missing. Holocaust victims and their heirs have been seeking to redeem these policies ever since.

Finally, in the late 1990s, the threat of class action lawsuits forced five insurance companies with American subsidiaries to the negotiating table. This ultimately led to the creation of the International Commission on Holocaust Era Insurance Claims, also known as ICHEIC (I-CHECK).

ICHEIC is a voluntary non-profit organization comprised of five European insurance companies, the State of Israel, representatives of Holocaust survivors, and U.S. and European insurance regulators. The commission was formed in 1998 and established a process to address insurance claims of Holocaust victims and their heirs.

While hopes were high for the success of ICHEIC, the initial results were disappointing. On November 8, 2001, the Committee on Government Reform held a hearing to examine some of the shortcomings of the ICHEIC process. At that time, very few claims were being paid. Of the claims submitted, less than 2 percent resulted in offers from the insurance companies. Critics noted that missing information was a primary obstacle in the claims process. The majority of all applicants were unable to provide basic policy information, including policy numbers and the name of the insurance company holding their assets.

Since the Holocaust ended almost sixty years ago, it should not come as a big surprise that aging survivors and families of those that perished couldn't remember account numbers. Any claims process must account for this.

Witnesses also complained that a comprehensive list of policyholders was not being developed and shared with the public by ICHEIC or anyone else. Many of the companies that issued Holocaust

era insurance policies were not cooperating in the process, with only five companies directly involved in the ICHEIC process.

To address shortcomings with the ICHEIC process, a number of states have enacted laws designed to force insurance companies to supply information about Holocaust era policies. For example, California passed the Holocaust Victims Insurance Relief Act, which authorized the suspension of the license of any insurance company operating in the state if it failed to publish information about Holocaust-era policies.

The U.S. Supreme Court, however, struck down the California law, in a narrow 5 to 4 decision, on June 23, 2003. The Court held that the state did not have the right to interfere in the Federal government's handling of foreign affairs. And since it is the policy of the U.S. government that ICHEIC serves as the sole remedy for Holocaust-era insurance claims, the Court reasoned that California's approach would undercut the President's diplomatic discretion, which in this case he has exercised to encourage insurance companies to participate in ICHEIC and voluntarily disclose information through ICHEIC.

The Court's opinion left open the possibility of Congressional action, and two bills have been introduced in the 108th Congress to address the issue. H.R. 1210, the "Holocaust Victims Insurance Relief Act," introduced by Congressman Henry Waxman, would require insurance companies that do business in the United States to publish

basic policyholder information for insurance policies in effect during the Holocaust era. Another bill, H.R. 1905, introduced by Congressman Mark Foley would authorize states to pass laws requiring insurance companies to disclose Holocaust era policyholder information.

With the Supreme Court's recent decision, ICHEIC is pretty much the only game in town for resolving Holocaust era insurance claims. This brings us to the today's hearing where we will examine whether ICHEIC is fulfilling its mission or whether Congressional action is necessary.

Since the last hearing, there have been improvements. An increasing number of policyholder names have been published, and agreements have been made with countries such as Germany, the Netherlands, and Belgium, to process insurance claims using ICHEIC standards. There is no doubt that progress has been made.

However, we need to ask whether these improvements are enough and whether more can be done. At a minimum, we should make sure that a comprehensive list of policyholders is developed and that insurance companies are fully cooperating in this effort. We need to also ask whether there is more that the U.S. government can do to urge European countries and insurance companies to get involved in this process. Finally, we are left with the question of whether the ICHEIC process is working -- is it fair, efficient, transparent, and above all accountable?

It has been almost 60 years since the end of one of the most tragic episodes in human history. It amazes me that this issue still hasn't been resolved. I realize that there are complicated issues, but all parties including heads of state, ICHEIC, insurance regulators, and insurance companies need to work expeditiously and in good faith to solve this problem. There's a basic premise here, which is that every Holocaust victim who had insurance is entitled to restitution. Providing restitution for victims and their families on these insurance policies is the very least we can do to help bring a small amount of closure to one of history's darkest hours.

I would like to thank all of our witnesses for appearing before the Committee, and I look forward to their testimony. I ask unanimous consent that the following Members be permitted to serve on the Committee for the purpose of today's hearing: Congressman Mark Foley, Congresswoman Jan Schakowsky, and Congressman Adam Schiff. Without objection, so ordered.

I would also like to thank Mr. Waxman for his dedication to this issue. And I now yield to him for his opening statement.